

# **Monthly Metropolitan Foreclosure Report, September 2013**

## **Colorado Department of Local Affairs – Division of Housing**



### **Introduction**

The Division of Housing now releases monthly data on foreclosure filings and foreclosure sales in metropolitan counties in Colorado. These reports are a supplement to the Division's quarterly statewide foreclosure reports available at the Division's web site: <http://www.divisionofhousing.com>.

Foreclosure filings represent the point at which the legal foreclosure process begins. The foreclosure sale represents the point at which the foreclosure process is completed. Since not all filed foreclosures proceed all the way through the foreclosure process, the total number of completed foreclosures in each time period is usually smaller than the total number.

These numbers represent estimates since each filing does not necessarily represent a unique property, and foreclosure totals also include a small number (less than 3% of total) of foreclosed commercial property and vacant land.

The foreclosure sales number approximates the number of unique properties that have been foreclosed with ownership reverting to the lender or passing to a third party. Foreclosure filings are a useful indicator of future foreclosure sales activity and of recent mortgage delinquency activity.

### **Findings**

During September 2013, foreclosure filings were down, year over year, and foreclosure filings were at the lowest level recorded in any month since the monthly survey of foreclosures was begun in 2007. Foreclosure sales at auction remained near 7-year lows during September.

September 2013 foreclosure filings were down 42.9 percent from September 2012, dropping from 1,584 to 904, year over year.

September 2013 foreclosure sales (completed foreclosures) were down compared to September 2012 with a decrease of 59.5 percent, dropping from 1,073 to 435, year over year.

For the first nine months of the year combined, foreclosure filings were down 46.4 percent in 2013 compared to the same period last year. There were 18,780 foreclosure filings during the nine months of 2012 and 10,075 during the same period this year.

Foreclosure auction sales were down 37.7 percent comparing the first nine months of 2013 to the same period last year. There were 9,614 foreclosure sales during the first nine months of last year and 5,988 during the same period this year.

Filings fell 12.8 percent from August 2013 to September 2013, and auction sales were down 19.6 percent over the same period.

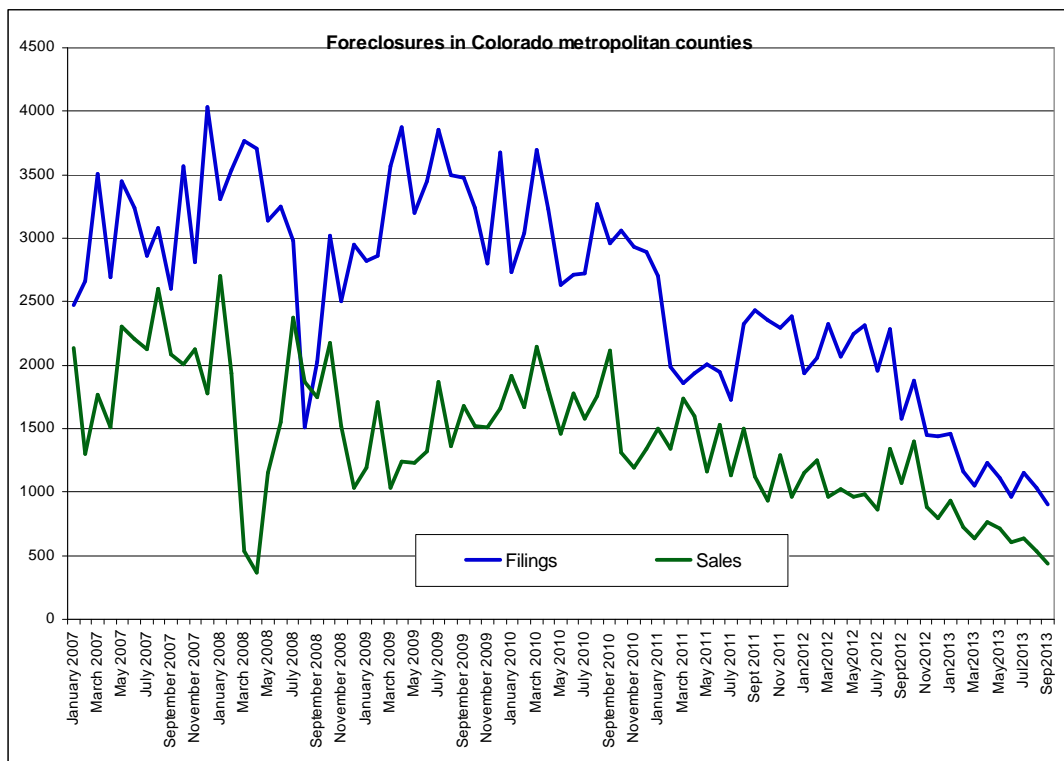
Pueblo County reported the highest foreclosure rate during September, while Boulder County reported the lowest rate. (See Table 7.)

### **Monthly foreclosure filings and sales at auction totals for metropolitan counties, January 2007- September 2013.**

Note in Graph 1 that August 2008 shows a sizable drop in total filings. This was due to changes in law that took effect on August 1 of that year. Colorado House Bill 08-1402 required a new notice period of 30 days, and this pushed back the execution of foreclosure filings by 30 days on many properties.

During March and April 2008, totals for foreclosure sales spiked downward. This was due to a new foreclosure process time line taking effect on January 1 of 2008. The new time line was structured in such a way that few foreclosures could proceed to sale during March and April 2008. Since 2010, the overall trend in foreclosure sales has been downward.

**Graph 1:**



## Moving averages for foreclosure filings and sales at auction for metropolitan counties, June 2007-September 2013.

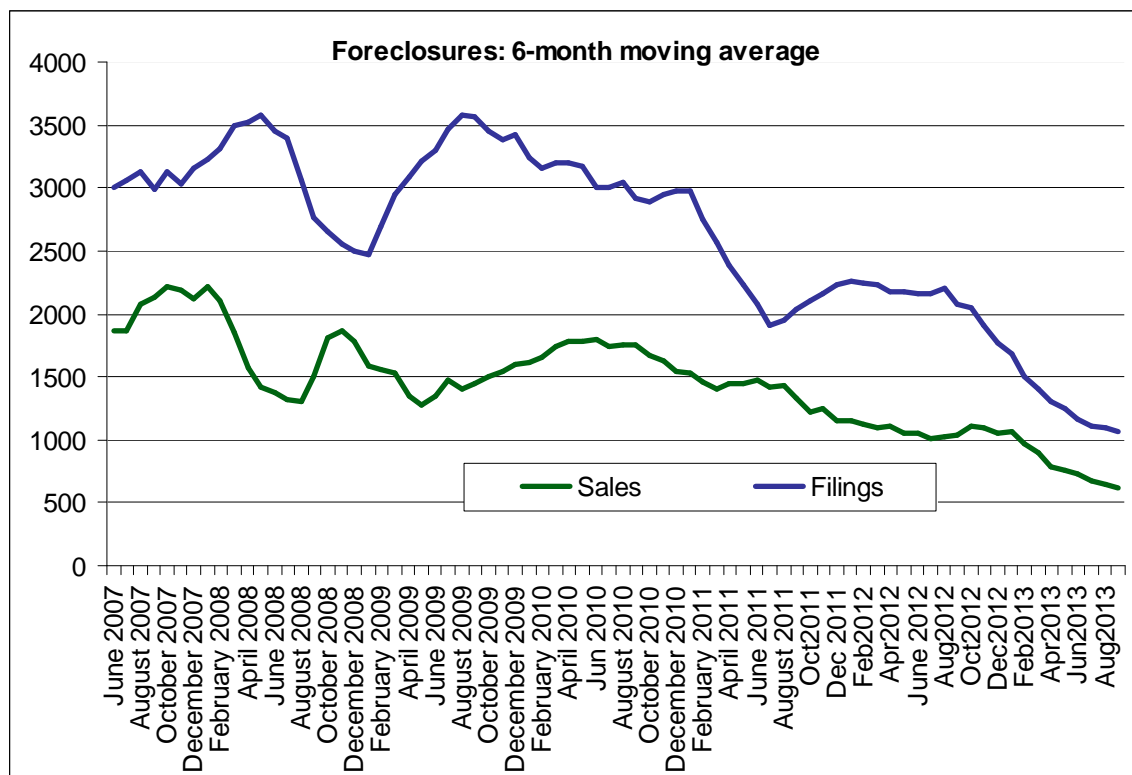
An analysis of a six-month moving average for both filings and sales at auction:

Filings peaked in mid 2009 in response to large job losses beginning in late 2008. A subsequent rise in foreclosure sales at auction peaked in Spring and Summer of 2010 as the state worked through the large inventory of foreclosures filed in mid 2009.

Foreclosure filings activity declined significantly between January 2011 and July 2011, and began to fall quickly after early 2013. Foreclosure sales activity has been generally falling since late 2011.

Since 2011, both filings and sales have shown general declines in activity. During September 2013, the moving averages in both foreclosures sales and foreclosure filings were at the lowest level yet recorded.

**Graph 2:**



**Comparison tables:**

**Month-over-month comparisons (August 2013 to September 2013):**

**Table 1: Foreclosure filings**

County	August	September	Pct Change from previous month
Adams	137	133	-2.9
Arapahoe	147	115	-21.8
Boulder	31	32	3.2
Broomfield	5	4	-20.0
Denver	119	125	5.0
Douglas	60	50	-16.7
El Paso	154	138	-10.4
Jefferson	122	77	-36.9
Larimer	39	44	12.8
Mesa	89	61	-31.5
Pueblo	62	64	3.2
Weld	72	61	-15.3
Total	1,037	904	-12.8

**Table 2: Foreclosure sales**

County	August	September	Pct Change from previous month
Adams	79	51	-35.4
Arapahoe	70	76	8.6
Boulder	10	6	-40.0
Broomfield	7	4	-42.9
Denver	62	50	-19.4
Douglas	25	18	-28.0
El Paso	79	76	-3.8
Jefferson	59	39	-33.9
Larimer	19	13	-31.6
Mesa	35	33	-5.7
Pueblo	49	49	0.0
Weld	47	20	-57.4
Total	541	435	-19.6

## Year-over-year comparisons of September foreclosure activity:

**Table 3: Foreclosure filings**

County	September 2012	September 2013	Year- over-year percent change
Adams	223	133	-40.4
Arapahoe	257	115	-55.3
Boulder	59	32	-45.8
Broomfield	13	4	-69.2
Denver	215	125	-41.9
Douglas	83	50	-39.8
El Paso	258	138	-46.5
Jefferson	154	77	-50.0
Larimer	59	44	-25.4
Mesa	79	61	-22.8
Pueblo	82	64	-22.0
Weld	102	61	-40.2
Total	1,584	904	-42.9

**Table 4: Foreclosure sales**

County	September 2012	September 2013	Year- over-year percent change
Adams	145	51	-64.8
Arapahoe	149	76	-49.0
Boulder	27	6	-77.8
Broomfield	5	4	-20.0
Denver	152	50	-67.1
Douglas	60	18	-70.0
El Paso	148	76	-48.6
Jefferson	112	39	-65.2
Larimer	48	13	-72.9
Mesa	90	33	-63.3
Pueblo	67	49	-26.9
Weld	70	20	-71.4
Total	1,073	435	-59.5

**Year-to-date totals (January-September of each year)**

**Table 5: Foreclosure Filings**

County	YTD Jan-Sep 2012 Filings	YTD Jan-Sep 2013 Filings	Percent Change from 2012
Adams	2518	1364	-45.8
Arapahoe	2894	1451	-49.9
Boulder	642	332	-48.3
Broomfield	173	84	-51.4
Denver	2476	1305	-47.3
Douglas	1253	593	-52.7
El Paso	2702	1507	-44.2
Jefferson	2127	1087	-48.9
Larimer	857	457	-46.7
Mesa	974	587	-39.7
Pueblo	901	603	-33.1
Weld	1263	705	-44.2
Total	18,780	10,075	-46.4

**Table 6: Foreclosure Sales**

County	YTD Jan-Sep 2012 Sales	YTD Jan-Sep 2013 Sales	Percent Change from 2012
Adams	1381	791	-42.7
Arapahoe	1425	853	-40.1
Boulder	276	171	-38.0
Broomfield	70	46	-34.3
Denver	1187	637	-46.3
Douglas	525	278	-47.0
El Paso	1325	1021	-22.9
Jefferson	1031	598	-42.0
Larimer	429	254	-40.8
Mesa	645	433	-32.9
Pueblo	607	455	-25.0
Weld	713	451	-36.7
Total	9,614	5,988	-37.7

**Foreclosure sales (completed foreclosure) rates in each county:**

September 2013 rates, on the right, are compared with September 2012 rates on the left. In all counties, foreclosure rates declined from 2012 to 2013. (An increase in the number of households per foreclosure means a decline in the foreclosure rate.)

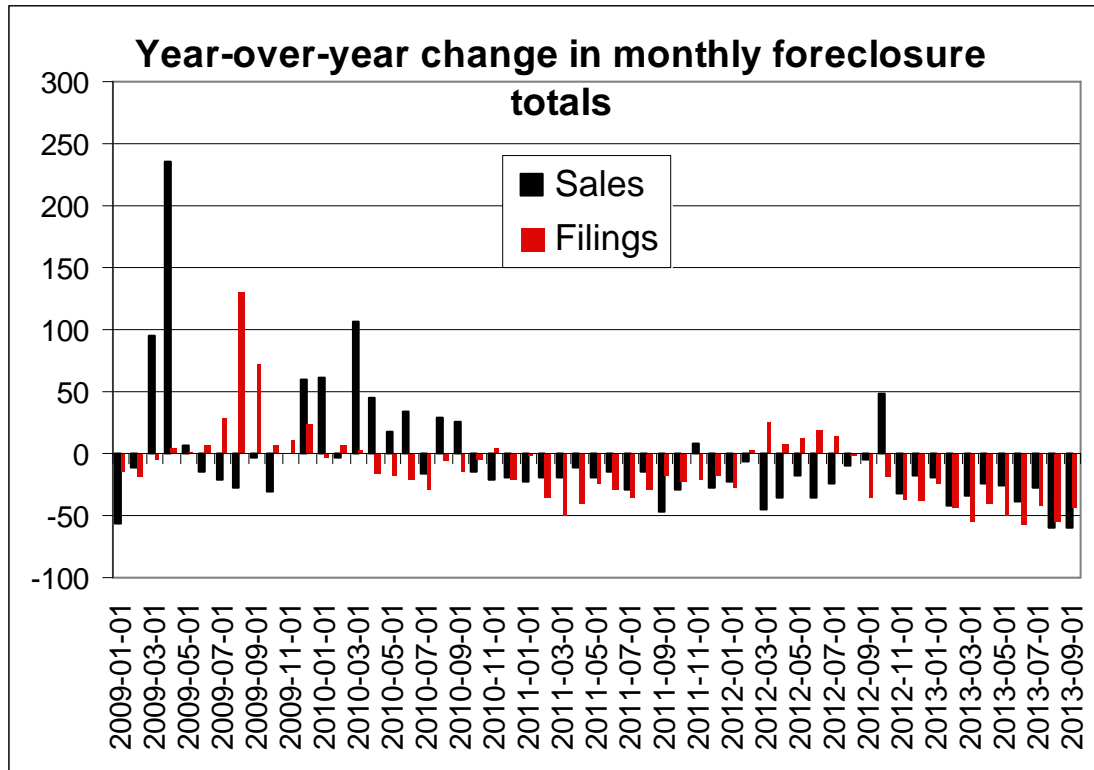
**Table 7:**

County	Sep-12	No. of households per completed foreclosure, 2012	Sep-13	No. of households per completed foreclosure, 2013
Adams	145	1,104	51	3,138
Arapahoe	149	1,563	76	3,065
Boulder	27	4,566	6	20,547
Broomfield	5	4,470	4	5,588
Denver	152	1,833	50	5,571
Douglas	60	1,776	18	5,919
El Paso	148	1,657	76	3,227
Jefferson	112	1,993	39	5,723
Larimer	48	2,600	13	9,599
Mesa	90	649	33	1,769
Pueblo	67	950	49	1,299
Weld	70	1,333	20	4,664
Metro total	1,073	1,614	435	3,982

For September 2013, the highest foreclosure rate was found in Pueblo County, and the lowest rate was found in Boulder County.

## Appendix: Additional Analysis

Graph 3:



Both foreclosure filings and foreclosure sales showed solid declines, year over year, during September with filings dropping 42.9 percent and foreclosure auction sales dropping 59.5 percent.



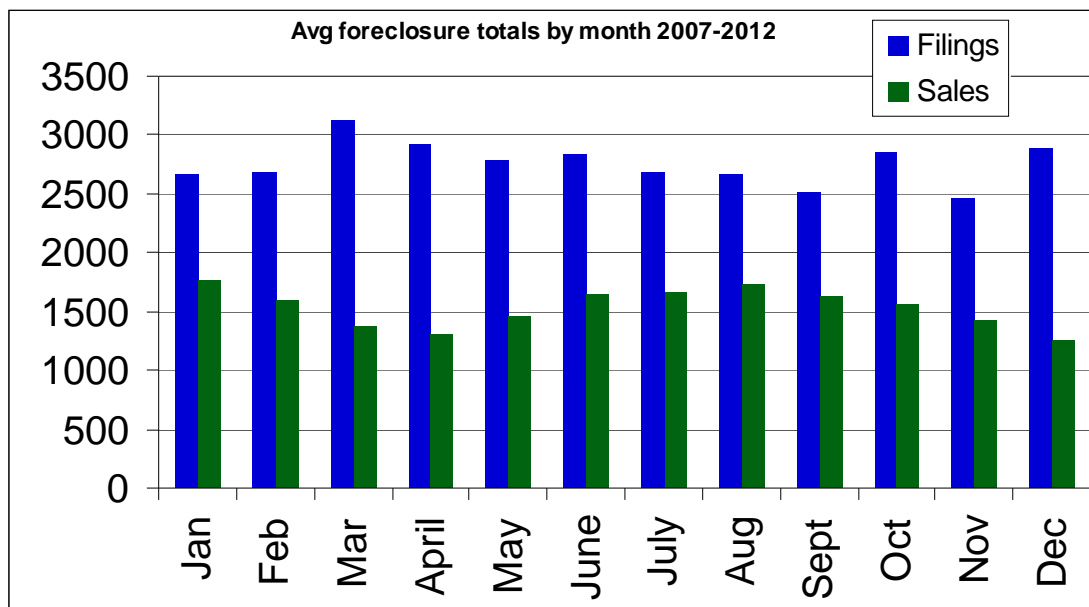
#### Graph 4:

##### Appendix: Seasonal Factors

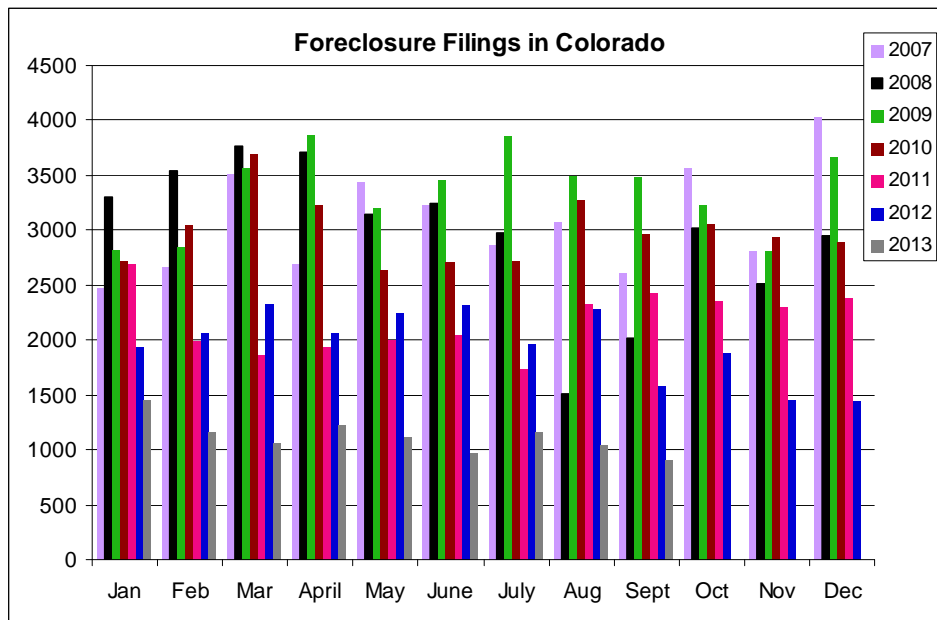
Historically and on a nationwide basis, foreclosure filings have tended to peak late in the first quarter and early in the second quarter. This may be due to the fact that households often tend to default on mortgages during and immediately after the holiday season in December. This is followed by an increased number of foreclosure filings three to four months later.

Although we only have six years of monthly data to work with, we do find the highest average for foreclosure filings occur during March and April, with December also showing a high average.

Foreclosure sales, on the other hand, tend to peak in both January-February and during summer and early autumn. The increases found during January and February are likely due to increases in the speed with which foreclosures are processed following the holiday season. Traditionally, some loan servicers have held off pushing loans to the final stage of foreclosure until after the holidays. The increases in sales found during the summer and early autumn months likely reflect the increased number of filings that occur during March and April. As these filings move through the system, they show up as sales at auction several months later.



**Graph 5: Foreclosure filings by month and year**



Foreclosure 2013 filings activity for September was at the lowest level recorded in any month since the survey was initiated in 2007.

**Graph 6: Foreclosure sales at auction by month and year**

The auction sales total during September 2013 was at the lowest September total recorded, and was at a seven-year low for the month. Only April 2008 shows a lower number of foreclosure sales for any month recorded.

